



CIVMEC LIMITED

(Company Registration No: 201011837H)

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 MARCH 2013

INTRODUCTION

Civmec Limited (the "Company") was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 13 April 2012.

The Company was incorporated in the Republic of Singapore on 3 June 2010 under the Companies Act (Chapter 50) of Singapore as a private company limited by shares. The Company and its subsidiaries (the "Group") were formed pursuant to a restructuring exercise (the "Restructuring Exercise") undertaken to streamline and rationalise the Group structure prior to the Initial Public Offering and the Company's listing on the Mainboard of the SGX-ST. Please refer to the Company's offer document dated 5 April 2012 for further details on the Restructuring Exercise.

For the purpose of this announcement, the results of the Group for the financial period ended 31 March 2013 and the comparative results of the Group for the financial period ended 31 March 2012 have been prepared on the assumption that the Group structure following the completion of the Restructuring Exercise has been in place since 1 July 2010.

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

1(a)(i) Statement of Comprehensive Income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Q3	Q3	+ / (-)	9M	9M	+ / (-)
	FY2013	FY2012	%	FY2013	FY2012	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Sales revenue	87,080	97,065	(10.3)	326,475	215,090	51.8
Cost of sales	(69,266)	(79,152)	(12.5)	(271,379)	(171,066)	58.6
Gross profit	17,814	17,913	(0.6)	55,096	44,024	25.1
Other income	287	98	192.9	820	362	126.5
Administrative expenses	(5,519)	(5,398)	2.2	(16,796)	(13,215)	27.1
Finance costs	(349)	1,057	133.0	(1,141)	(327)	248.9
Profit before tax	12,233	13,670	(10.5)	37,979	30,844	23.1
Income tax expense	(3,704)	(3,786)	(2.2)	(11,167)	(8,955)	24.7
Profit for the period	8,529	9,884	(13.7)	26,812	21,889	22.5
<u>Other comprehensive income:</u>						
Exchange differences on re-translation from functional currency to presentation currency	2,570	125	1,956.0	843	573	47.1
Total comprehensive income for the period	11,099	10,009	10.9	27,655	22,462	23.1
<u>Profit attributable to:</u>						
Owners of the Company	8,529	9,884		26,812	21,889	
Non-controlling interest	-	-		-	-	
	8,529	9,884		26,812	21,889	
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	11,099	10,009		27,655	22,462	
Non-controlling interest	-	-		-	-	
	11,099	10,009		27,655	22,462	
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	1.70	1.97		5.35	4.37	
• Diluted	1.70	1.97		5.35	4.37	

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

A. Profit before income tax

The following items have been included in determining the profit before income tax:

	Group			Group		
	Q3 FY2013 S\$'000	Q3 FY2012 S\$'000	+ /(-) %	9M FY2013 S\$'000	9M FY2012 S\$'000	+ /(-) %
Gain on disposal of property, plant and equipment	25	37	(32.4)	32	91	(64.8)
Interest income on bank balances	191	168	13.7	540	377	43.2
Share in profit of a joint venture	(30)	(107)	72.0	22	(107)	(120.6)
Amortisation of deferred management fee	-	(4)	N.M.*	-	(425)	N.M.*
IPO Expenses	-	(1,117)	N.M.*	-	(1,234)	N.M.*

B. Finance costs

	Group			Group		
	Q3 FY2013 S\$'000	Q3 FY2012 S\$'000	+ /(-) %	9M FY2013 S\$'000	9M FY2012 S\$'000	+ /(-) %
Convertible loans	-	300	N.M.*	-	887	N.M.*
Write-back on convertible loans	-	(1,701)	N.M.*	-	(1,701)	N.M.*
Bank bill	52	33	57.6	255	333	(23.4)
Finance leases	288	309	(6.8)	838	808	3.7
Others	9	2	350.0	48	-	N.M.*
Total Finance Costs	349	(1,057)	(133.0)	1,141	327	248.9

Convertible loans:

- As at 31 March 2012, a total of 113,562,000 ordinary shares were issued pursuant to the conversion of certain convertible loans at a consideration of A\$15 million (approximately S\$18.919 million). The convertible loans have been discharged.

C. Depreciation expenses

	Group			Group		
	Q3 FY2013 S\$'000	Q3 FY2012 S\$'000	+ /(-) %	9M FY2013 S\$'000	9M FY2012 S\$'000	+ /(-) %
Included in Cost of sales	1,156	1,079	7.1	3,418	2,746	24.5
Included in Administrative expenses	112	68	64.7	338	195	73.3
Total Depreciation	1,268	1,147	10.5	3,756	2,941	27.7

* N/M – Not meaningful

1(b)(i) Statement of Financial Position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at 31 March 2013 S\$'000	As at 30 June 2012 S\$'000	As at 31 March 2013 S\$'000	As at 30 June 2012 S\$'000
ASSETS				
Current Assets				
Trade and other receivables	93,912	86,620	3,778	5,082
Other current assets	385	337	7	-
Cash and cash equivalents	16,111	33,801	1,136	1,295
	<u>110,408</u>	<u>120,758</u>	<u>4,921</u>	<u>6,377</u>
Non-Current Assets				
Investment in joint venture	256	232	-	-
Investment in subsidiaries	-	-	9,848	9,792
Loans receivable	-	-	37,491	37,380
Property, plant and equipment	76,619	55,885	-	-
Intangible assets	13	13	-	-
Deferred tax assets	3,558	2,470	-	-
	<u>80,446</u>	<u>58,600</u>	<u>47,339</u>	<u>47,172</u>
TOTAL ASSETS	<u>190,854</u>	<u>179,358</u>	<u>52,260</u>	<u>53,549</u>
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	48,998	58,215	1,872	359
Borrowings	9,581	3,318	-	-
Payable to related parties	-	123	-	901
Current tax liabilities	2,458	13,852	-	-
Provisions (Employee benefits)	3,528	3,400	-	-
	<u>64,565</u>	<u>78,908</u>	<u>1,872</u>	<u>1,260</u>
Non-Current Liabilities				
Borrowings	10,712	10,055	-	-
Deferred tax liabilities	425	341	-	-
Provisions (Employee benefits)	1,091	642	-	-
	<u>12,228</u>	<u>11,038</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>76,793</u>	<u>89,946</u>	<u>1,872</u>	<u>1,260</u>
Capital and Reserves				
Share capital	37,864	37,864	37,864	37,864
Other reserves	11,322	10,479	10,725	10,432
Retained earnings	64,876	41,070	1,799	3,993
Total Equity Attributable to Owners	<u>114,062</u>	<u>89,413</u>	<u>50,388</u>	<u>52,289</u>
Non-controlling interest	(1)	(1)	-	-
TOTAL EQUITY	<u>114,061</u>	<u>89,412</u>	<u>50,388</u>	<u>52,289</u>
TOTAL LIABILITIES AND EQUITY	<u>190,854</u>	<u>179,358</u>	<u>52,260</u>	<u>53,549</u>

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

	Group		Group	
	As at 31 March 2013		As at 30 June 2012	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Finance leases	15,703	-	13,373	-
Bank bill	4,590	-	-	-
Total borrowings	20,293	-	13,373	-
Amount repayable in one year or less, or on demand	9,581	-	3,318	-
Amount repayable after one year	10,712	-	10,055	-

Details of collaterals

Finance leases:

- The Group leases motor vehicles and workshop equipment from non-related parties under finance leases. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term.
- The average lease term is between 4 and 5 years at interest rates ranging from 5.41% to 9.56% per annum.
- These leases are secured by the underlying leased assets and guarantees provided by the Company.

Bank bill:

- As at 31 March 2013, the Group has commercial bank bill facilities amounting to A\$18.415 million (approximately S\$23.928 million) of which 19.2% is used (30 June 2012: A\$6.867 million - approximately S\$8.873 million).
- Interest rates are variable and ranged between 6.04% and 6.26% per annum during the financial period ended 31 March 2013 (30 June 2012: ranged between 7.11% and 7.52%).

Other financing facilities available:

- The Group has a Multi Option Facility available for a limit of A\$10.030 million (approximately S\$13.033 million) and the Group has drawn down A\$0.36 million (approximately S\$0.47 million). This is secured by:
 - A registered fixed and floating charge over the assets and undertakings of the Group.
 - A first registered real property mortgage over the leasehold interest in the Commercial property located at Lot 804 (16) Nautical Drive, Henderson Western Australia and guarantee and indemnity given by the Company.



1(c) Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

<u>Note</u>	<u>Group 9M FY2013 S\$'000</u>	<u>Group 9M FY2012 S\$'000</u>
Cash Flows from Operating Activities		
Profit before income tax	37,979	30,844
Adjustments for:		
Amortisation	-	425
Depreciation of property, plant and equipment	3,756	2,941
Gain on disposal of property, plant and equipment	(32)	(91)
Share of profit in joint venture	(22)	107
Finance cost	1,141	327
Interest income	(540)	(377)
Foreign exchange differences	42	-
Operating cash flow before working capital changes	<u>42,324</u>	<u>34,176</u>
Changes in working capital:		
Increase in trade and other receivables	(7,292)	(50,311)
Increase in other current assets	(40)	(2,012)
(Decrease)/increase in trade and other payables	(9,747)	37,515
(Decrease)/increase in payables to related parties	-	62
Increase in provisions	577	1,719
Cash generated from operations	<u>25,822</u>	<u>21,149</u>
Interest received	540	377
Finance cost paid	(1,141)	(1,141)
Income taxes paid	(23,480)	(3,832)
Net cash generated by operating activities	<u>1,741</u>	<u>16,553</u>
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	86	307
Purchase of property, plant and equipment	(24,053)	(12,573)
Investment in Joint Venture	-	(628)
Net cash used in investing activities	<u>(23,967)</u>	<u>(12,894)</u>
Cash Flows from Financing Activities		
Proceeds from borrowings	18,152	9,415
Repayment of borrowings	(11,392)	(7,107)
Payment to related parties	(122)	-
Deposits pledged	-	(85)
Dividends paid	(2,402)	-
Net cash generated by financing activities	<u>4,236</u>	<u>2,223</u>
Net increase in cash and cash equivalents	(17,990)	5,882
Effects of currency translation on cash and cash equivalents	300	(97)
Cash and cash equivalents at the beginning of the financial period	33,801	5,598
Cash and cash equivalents at the end of the financial period	<u>16,111</u>	<u>11,383</u>
Analysis of cash and cash equivalents:		
Cash on hand and in banks	16,111	12,402
Less: Deposits pledged	-	(1,019)
	<u>16,111</u>	<u>11,383</u>

- 1(d) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital	Merger Reserve	Other reserves Option Premium on Convertible Loans	Translation Reserve	Retained Earnings	Total	Non- controlling interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group								
Balance as at 01 July 2011	-*	9,010	242	1,284	10,760	21,296	(1)	21,295
Profit for the year	-	-	-	-	30,310	30,310	-	30,310
Other comprehensive income for the year	-	-	-	185	-	185	-	185
Total comprehensive income for the year	-	-	-	185	30,310	30,495	-	30,495
Issuance of shares pursuant to increase capital contribution	125	-	-	-	-	125	-	125
Issuance of shares pursuant to conversion	18,919	-	(242)	-	-	18,677	-	18,677
Issuance of shares pursuant to the IPO	20,400	-	-	-	-	20,400	-	20,400
Costs directly attributable to IPO	(1,580)	-	-	-	-	(1,580)	-	(1,580)
Balance as at 30 June 2012	37,864	9,010	-	1,469	41,070	89,413	(1)	89,412
Balance as at 01 July 2012	37,864	9,010	-	1,469	41,070	89,413	(1)	89,412
Profit for the period	-	-	-	-	26,812	26,812	-	26,812
Other comprehensive loss for the period	-	-	-	843	-	843	-	843
Total comprehensive income for the year	-	-	-	843	26,812	27,655	-	27,655
Dividends declared for FY2012	-	-	-	-	(3,006)	(3,006)	-	(3,006)
Balance as at 31 March 2013	37,864	9,010	-	2,312	64,876	114,062	(1)	114,061

* - Less than S\$500

- 1(d) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd).

	Share Capital	Merger Reserve	Other reserves Option Premium on Convertible Loans	Translation Reserve	Retained Earnings	Total	Non-controlling interest	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company								
Balance as at 01 July 2011	-*	-	242	5	(81)	166	-	166
Profit for the year	-	-	-	-	4,074	4,074	-	4,074
Other comprehensive income for the year	-	-	-	1,417	-	1,417	-	1,417
Total comprehensive income for the period	-	-	-	1,417	4,074	5,491	-	5,491
Issuance of shares pursuant to increase capital contribution	125	-	-	-	-	125	-	125
Issuance of shares pursuant to conversion	18,919	-	(242)	-	-	18,677	-	18,677
Issuance of shares pursuant to the IPO	20,400	-	-	-	-	20,400	-	20,400
Costs directly attributable to IPO	(1,580)	-	-	-	-	(1,580)	-	(1,580)
Adjustment pursuant to Restructuring Exercise	-	9,010	-	-	-	9,010	-	9,010
Balance as at 30 June 2012	37,864	9,010	-	1,422	3,993	52,289	-	52,289
Balance as at 01 July 2012	37,864	9,010	-	1,422	3,993	52,289	-	52,289
Profit for the period	-	-	-	-	812	812	-	812
Other comprehensive loss for the period	-	-	-	293	-	293	-	293
Total comprehensive income for the period	-	-	-	293	812	1,105	-	1,105
Dividends declared for FY2012	-	-	-	-	(3,006)	(3,006)	-	(3,006)
Balance as at 31 March 2013	37,864	9,010	-	1,715	1,799	50,388	-	50,388

* - Less than S\$500

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Company As at 31 March 2013		Company As at 30 June 2012	
	No. of Shares	S\$'000	No. of Shares	S\$'000
Issued and fully paid up Shares as at date of incorporation	1	-*	1	-*
Issue of 124,999 shares on 8 November 2011 pursuant to increase in capital contribution	124,999	125	124,999	125
	<u>125,000</u>	<u>125</u>	<u>125,000</u>	<u>125</u>
Sub-division of 125,000 Shares	12,500,000	125	12,500,000	125
Issue of Shares pursuant to the Share Swap Agreement	323,938,000	-	323,938,000	-
Issue of Shares pursuant to the Conversion of convertible loans on 27 March 2012	113,562,000	18,919	113,562,000	18,919
Issue of Shares pursuant to the IPO	51,000,000	20,400	51,000,000	20,400
IPO expenses debited to equity	-	(1,580)	-	(1,580)
Closing balance	<u>501,000,000</u>	<u>37,864</u>	<u>501,000,000</u>	<u>37,864</u>

* - Less than S\$500

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 March 2013, the total number of issued ordinary shares (excluding treasury shares) was 501,000,000 (30 June 2012: 501,000,000).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the auditors.

- 3. Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the most recent audited financial statements for the year ended 30 June 2012.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Q3 FY2013 S\$'000	Q3 FY2012 S\$'000	9 Mths 2013 S\$'000	9 Mths 2012 S\$'000
Profit after taxation	8,529	9,884	26,812	21,889
Pre-invitation Share Capital	501,000,000	501,000,000	501,000,000	501,000,000
Earnings per ordinary share (S\$ cents)				
• Basic	1.70	1.97	5.35	4.37
• Diluted	1.70	1.97	5.35	4.37

Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the Company by the share capital of 501,000,000 ordinary shares which were assumed to be in issue throughout the entire period presented.

There was no dilution of shares for the period.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 31 Mar 2013 S\$'000	As at 30 June 2012 S\$'000	As at 31 Mar 2013 S\$'000	As at 30 June 2012 S\$'000
Net assets	114,061	89,412	50,388	52,289
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	22.77	17.85	10.06	10.44

Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company by the share capital of 501,000,000 ordinary shares which were assumed to be in issue throughout the entire period presented.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:
- a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

A. Statement of Comprehensive Income

(i) Revenue

Revenue for the third quarter of FY2013 decreased by 10.3% to S\$87.1 million (Q3 FY2012: S\$97.1 million). This decrease was due to some projects nearing completion during the period delivering lower revenue streams at this stage of the project cycle. Revenue for the first 9 months of FY2013 increased by 51.8% to S\$326.5 million (9M FY2012: S\$215.1 million). This increase was due to higher revenue recognised as a result of higher average activity levels in both the Oil & Gas and Mining and Other segments.

(ii) Cost of Sales and Gross Profit

Cost of Sales

The cost of sales for the third quarter of FY2013 decreased by 12.5% to S\$69.3 million (Q3 FY2012: S\$79.1 million), which was consistent with the decreased level of activities in Q3 FY2013. The cost of sales for the first 9 months of FY2013 increased by 58.6% to S\$271.4 million (9M FY2012: S\$171.1 million), which was consistent with the increased level of activities in 9M FY2013.

Gross Profit

Gross profit margins increased from 18.5% during the third quarter of FY2012 to 20.5% during the third quarter of FY2013. This increase was due to productivity improvements realised on projects nearing completion during the period. Gross margins decreased from 20.5% during the first nine months of FY2012 to 16.9% during the first nine months of FY2013. This was due to the nature of contracts undertaken in FY2013 which have higher average values and longer terms but with a lower gross profit margin than those carried out for the same period in FY2012. The contribution from such contracts with lower gross profit margin comprises a larger proportion of our total gross profit as compared to other contracts with higher gross profit margins.

(iii) Administrative Expenses

Administrative expenses for the third quarter of FY2013 increased by 2.2% to S\$5.5 million (Q3 FY2012: S\$5.4 million). The increase in administrative expenses was mainly due to increases in staff and staff related expenses in line with the company's new organisational structure. Administrative expenses for Q3 FY2013 represented 6.3% of revenue (compared to Q3 FY2012 of 5.6%). Administrative expenses for the first nine months of FY2013 increased by 27.1% to S\$16.8 million (9M FY2012: S\$13.2 million). The increase in administrative expenses was mainly due to increases in staff and staff related expenses in order to cope with the increased organisational demands in line with our revenue growth. Administrative expenses for the first nine months FY2013 represented 5.1% of revenue (compared to 9M FY2012 of 6.1%).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following (cont'd):

(iv) Other Income

Other income for the third quarter of FY2013 increased by 192.9% to S\$287,000 (Q3 FY2012: S\$98,000). The increase was mainly due to higher interest received as a result of higher average cash balances held throughout the period. Other income for the first nine months of FY2013 increased by 126.3% to S\$820,000 (9M FY2012: S\$362,000). The increase was due to the reasons stated above.

(v) Finance Costs

Finance costs for the third quarter of FY2013 increased by 133.0% to S\$349,000 (Q3 FY2012: (S\$1,057,000)). This increase was mainly due to the one off write back in Q3 FY2012 of S\$1.7 million of interest payable on convertible loans after having been converted to equity in March 2012. Finance costs for the first nine months of FY2013 increased by 248.9% to S\$1.1 million (9M FY2012: S\$0.3 million). The increase was due to the reasons stated above.

(vi) Income Tax

Income tax for the third quarter of FY2013 decreased by 2.2% to S\$3.7 million (Q3 FY2012: S\$3.8 million). This decrease was due to lower taxable profits. Income tax for the first nine months of FY2013 increased by 24.7% to S\$11.2 million (9M FY2012: S\$8.9 million). This decrease was due to higher taxable profits.

(vii) Profit After Tax

Profit after tax for the third quarter of FY2013 decreased by 13.7% to S\$8.5 million (Q3 FY2012: S\$9.9 million). This decrease was mainly due to Q3 FY2012 NPAT being inflated by a one off write back before tax of S\$1.7 million of interest payable in Q3 FY2012 on convertible loans after having been converted to equity in March 2012. Excluding the one off adjustment in Q3 FY2012, profit after tax increased by 0.7% for Q3 FY2013. Profit after tax for the first nine months of FY2013 increased by 22.5% to S\$26.8 million (9M FY2012: S\$21.9 million). Excluding the one off adjustment in Q3 FY2012, profit increased by 30.9% for Q3 FY2013.

B Statement of Financial Position

(i) Shareholders' Equity

Total shareholders' equity at 31 March 2013 amounted to S\$114.1 million, an increase of 27.6% over the previous corresponding period (FY2012: S\$89.4 million). This was due to the profit for the period.

(ii) Non-current Assets

Total non-current assets amounted to S\$80.4 million at 31 March 2013, representing a 37.3% increase over the previous corresponding period (FY2012: S\$58.6 million). This was due mainly to the acquisition of property, plant and equipment.

(iii) Current Assets

Total current assets amounted to S\$110.4 million at 31 March 2013, representing an 8.6% decrease compared with the previous corresponding period (FY2012: S\$120.8 million). This was due mainly to the decrease in cash and cash equivalents (S\$17.7 million), partially offset by an increase in trade and other receivables (S\$7.3 million). The increase in trade and other receivables was due to the timing of the collection of receivables. The decrease in cash and cash equivalents was mainly due to the purchase of property, plant and equipment, partially offset by cash generated from operating activities and borrowing funds received.

8. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following (cont'd):**

(iv) Non-current Liabilities

Total non-current liabilities at 31 March 2013 increased by 10.8% to S\$12.2 million as compared to the corresponding period (FY2012 S\$11.0million). This small increase was mainly attributable to an increase of borrowings of S\$0.7 million and an increase in provisions of S\$0.4 million.

(v) Current Liabilities

Total current liabilities at 31 March 2013 decreased by 18.2% to S\$64.6 million as compared with the previous corresponding period (FY2012 S\$78.9 million). The decrease was mainly due to a decrease in current tax liabilities of S\$11.4 million due to a final tax payment for FY2012 and a decrease in trade and other payables of S\$9.2 million, partially offset by an increase in borrowings of S\$6.4 million and an increase in provisions of S\$0.1 million.

C Statement of Cash flows

Operating activities generated cash inflow of S\$1.7 million for 9M FY2013 (9M FY2012: S\$16.6 million). This was mainly due to profits before tax generated of S\$38.0 million (9M FY2012: S\$30.8 million) and an increase in interest received of S\$0.5 million, partially offset by an increase in trade and other receivables of S\$7.3 million, income taxes paid of S\$23.5 million and a decrease in trade and other payables of S\$9.7 million. As at 31 March 2013 the Group has S\$16.1 million in cash and cash equivalents (9M FY2012: S\$11.4 million).

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting and the next 12 months.**

We are an Australian-based integrated multi-disciplinary heavy engineering services provider to the oil and gas, mining and other industries, such as the infrastructure, utilities, chemical and power industries. We provide heavy engineering and other services including metal and structural fabrication, site civil works, pre-cast concrete and maintenance services.

The outlook for the Oil and Gas sector in Australia remains strong and positive for the Group and we see no evidence of reversal in our current project commitments.

Notwithstanding the slower growth in the Mining and Resources sector we are seeing a significant increase in tendering activities.

The Group's order book as at 31 March 2013 stood at S\$151 million.

Barring any unforeseen circumstances, the Group expects to remain profitable for the 2013 financial year.

11. Dividend

- a) **Any dividend declared for the current financial period reported on?**
Not applicable.
- b) **Any dividend declared for the corresponding period of the immediately preceding financial year?**
Not applicable.
- c) **Date payable**
Not applicable.
- d) **Books closure date**
Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

No general mandate has been obtained for interested persons transactions.

Name of interested persons	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	
	Q3 FY2013 S\$'000	9M FY2013 S\$'000
Ann Tallon and Tallon Investment trust	-	161

The value of IPTs of the Group is below 3% of the Group's latest audited net tangible assets as at 30 June 2012.

14. Negative confirmation pursuant to Rule 705(5).

To the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the period ended 31 March 2013 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

James Finbarr Fitzgerald
Executive Chairman
09 May 2013